

CENTRAL SOUTH CONSORTIUM

JOINT COMMITTEE REPORT

19th MARCH 2024

2023/24 BUDGET MONITORING UPDATE AND 2024/25 GRANT UPDATE

JOINT REPORT OF THE MANAGING DIRECTOR AND THE TREASURER

Authors: Clara Seery (Managing Director) and Stephanie Davies (Service Director, Financial Services)

1. PURPOSE OF REPORT

To provide Members with an update of:

- 1.1 The projected outturn position for 2023/24.
- 1.2 The grant funding positions for 2023/24 and 2024/25.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the current projected outturn position for 2023/24 (paragraph 3.2) and the allocation of any year-end underspend, after taking account of specific financial risks, to the existing Service Remodeling Earmarked Reserve to support the setting and delivery of balanced budgets over the medium-term (as approved by the Joint Committee on 12th December 2023).
- 2.2 Note the current grant funding position for 2023/24.
- 2.3 Note the Local Authority Education Grant (LAEG) position from April 2024.

3. **BUDGET MONITORING**

3.1 A summary of the 2023/24 projected outturn position is set out in Table 1 below:

Table 1 – Projected Outturn Position 2023/24

| Category | Original Budget 2023/24 £ | Projected Out-turn 2023/24 £ | Variance (Under) / Overspend £ |
|--|--|---|---|
| <u>Expenditure</u> | | | |
| Employees | 3,111,384 | 2,998,628 | (112,756) |
| Premises | | | |
| Rent | 88,280 | 88,200 | (80) |
| Maintenance | 153 | 6,839 | 6,686 |
| Hire of Venues | 15,533 | 8,594 | (6,939) |
| Other | 0 | 270 | 270 |
| Total Premises Cost | 103,966 | 103,903 | (63) |
| Transport | 29,000 | 24,118 | (4,882) |
| Supplies & Services | | | |
| Continuing Professional Development / Staff Adverts | 28,250 | 20,057 | (8,193) |
| Licenses / Mobile and Telephone Charges / Computer Costs – Hardware / Software | 73,347 | 60,036 | (13,311) |
| External Audit and Actuary Fee, Employers Liability and Public Liability Insurance | 53,930 | 56,665 | 2,735 |
| Photocopying / Postage / Advertising / Stationery / General Office Expenses | 18,377 | 28,143 | 9,766 |
| Total Supplies & Services | 173,904 | 164,901 | (9,003) |
| Support Services | 150,375 | 181,462 | 31,087 |
| Transitional Funding | (33,000) | 0 | 33,000 |
| Gross Expenditure | 3,535,629 | 3,473,012 | (62,617) |
| <u>Income</u> | | | |

| Category | Original Budget 2023/24 £ | Projected Out-turn 2023/24 £ | Variance (Under) / Overspend £ |
|-------------------------------|--------------------------------------|---|---|
| Local Authority Contributions | 3,516,129 | 3,516,133 | (4) |
| Grants and Other Income | 19,500 | 133,860 | (114,360) |
| Total Income | 3,535,629 | 3,649,993 | (114,364) |
| | | | |
| Net Expenditure | 0 | (176,981) | (176,981) |

3.2 The full year projected outturn position (projected as at February 2024) is a £177k underspend (£20k projected underspend reported to the 12th December 2023 Joint Committee meeting). Key variances within the projected outturn position include:

- Employees (£113k projected underspend) – due to updated staffing cost projections for those posts aligned to Soulbury pay scales further to confirmation of pay award settlements for September 2022 and September 2023, and paid in February 2024. In addition, Business Support budget savings built into the approved 2024/25 budget have been delivered in-year and earlier than planned.
- Premises (on budget) – optimizing the use of the Valleys Innovation Centre that is resulting in a reduction in hire costs, partly offset by one-off adaptation costs to create additional meeting space to enable the accommodation to be fit for purpose for agile working and effective professional learning;
- Transport (£5k projected underspend) – due to reduction in staff travel requirements;
- Supplies and Services (£9k projected underspend) – mainly due to one off savings associated with data analytics licenses;
- Support Services (£31k projected overspend) – increased costs as a result of the business need for further services from the host authority;
- Transitional Funding – no requirement to use the £33k earmarked reserve to support the delivery of a balanced budget for the current year, this being managed within existing in-year resources; and
- Grants and Income (projected to be £114k higher than budget) – in respect of unbudgeted bank interest income and also income received from inspection work undertaken by Central South Consortium officers.

3.3 As Members will be aware, the financial outlook over the medium term is expected to be very challenging. In support of this, at the December 2023 Joint Committee, Members authorised the lead Section 151 Officer to allocate any under-spend at year-end, after taking account of specific financial risks, to the

existing Service Remodeling Earmarked Reserve to support the setting and delivery of balanced budgets over the medium-term. For Members information, the audited 2022/23 Statement of Accounts included a Service Remodeling Earmarked Reserve of £609k; for the year to date, there are no costs which require to be funded from this reserve.

4. GRANT FUNDED SERVICE 2023/24

- 4.1 Table 2 sets out the 2023/24 grant allocations received by the Consortium from Welsh Government as at February 2024.

Table 2 – 2023/24 Grant Allocations

| Grant | Total Grant 2023/24 £ | Retained to Fund National Priorities 2023/24 £ | Delegated to Schools/Local Authorities 2023/24 £ |
|--|--------------------------------------|---|---|
| Regional Consortia Grant (including match funding) | 51,434,386 | 7,217,960 | 44,216,426 |
| Welsh Language Framework | 77,800 | 77,800 | 0 |
| Pupil Development Grant Children Looked After (includes Outside of Wales) | 2,107,950 | 0 | 2,107,950 |
| PDG Consortia Led | 279,523 | 49,446 | 230,077 |
| PDG Adviser | 100,000 | 100,000 | 0 |
| Total | 53,999,659 | 7,445,206 | 46,554,453 |

- 4.2 The Consortium has updated its Grants Register to reflect the position set out in Table 2 and will continue to monitor expenditure to ensure the use and effectiveness of grants are maximised across the region.

5. LOCAL AUTHORITY EDUCATION GRANT 2024/25

- 5.1 On 19th December 2023, as part of its draft budget, Welsh Government informed local authorities and consortia of changes to Education grants with effect from April 2024. This is in line with the Welsh Government aim of simplifying and streamlining funding to local authorities and schools.
- 5.2 From April 2024, funding previously provided to consortia is being directly allocated to local authorities via the Local Authority Education Grant (LAEG) with four grant elements, namely: School Standards, Equity, Reform and Cymraeg 2050.

- 5.3 Welsh Government stated that these changes to funding routes are being made to aid transparency and align with existing governance arrangements, and the level of funding and expectations around priorities in supporting schools have not changed. In line with the Minister for Education and Welsh Language's statement on 31st January 2024, Welsh Government expects local authorities to continue to support and fund any current regional consortia or partnership arrangements in areas of the LAEG to ensure consistency of support whilst the second phase of the Review of School Improvement: Roles and Responsibilities of Education Partners in Wales takes place.
- 5.4 The Central South Consortium 2024/25 budget was approved by Joint Committee in December 2023 based on maintaining current grant funding levels and, in doing so, ensure the on-going delivery of agreed school improvement priorities for the forthcoming financial year. Work is progressing with constituent local authorities to enable LAEG funding for relevant functions to be passported back to the Consortium, with robust arrangements in place to manage these resources and ensure terms and conditions of the grant are met.

6.0 CONCLUSIONS

- 6.1 The projected outturn position for the full year is a £177k underspend (projected as at February 2024). The Consortium will continue to closely monitor and manage its resources and report a year end update to the Joint Committee alongside the Statement of Accounts for 2023/24.
- 6.2 The 2023/24 Grants Register has been updated to reflect the current grant funding position and will continue to be regularly reviewed to ensure resources are maximised for the benefit of the schools and Councils within the Central South Consortium area.
- 6.3 Similarly, Constituent local authorities and the Consortium are progressing work to ensure 2024/25 grant funding arrangements continue to effectively support school improvement priorities across the region.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

19th MARCH 2024

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

Officers to Contact:

Mrs. Clara Seery (Tel No. 01443 281400)

Ms. Stephanie Davies (Tel No. 01443 680560)